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STATEMENT FOR DIRECTOR OF CENTRAL INTELLIGENCE

1. As indicated previously to this Committee, I have directed a thorough examination of the organization and other management processes in the Agency. In addition, we have recently engaged in a painful exercise similar to what would be called a reduction in force in other agencies through which we separated or will separate approximately [ ] who are surplus to the specialized requirements of the Agency.

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2. Through both of these examinations, I have looked closely at the Agency's personnel and its personnel program. On the whole, I have found the competence and dedication of the people in CIA to be outstanding and I believe that our personnel program is responsive to the Agency's needs. I have detected one significant deficiency, however, which stems from the simple fact that foreign intelligence operations require a preponderance of relatively young people. There is an urgent need for a more flexible retirement system which would permit earlier retirement of some of our officers than is possible under the civil service system. After several years of study, we have concluded that a system of retirement similar to that available to the Foreign Service would answer the Agency's needs. This type of retirement would be available only to designated employees or classes of employees. This proposal has been discussed with the Bureau of the Budget, and they have agreed in principle that such legislation would be appropriate for this Agency.

3. Being aware of the lateness of the hour of this session of the Congress, I wish to bring this matter to your attention and seek your advice. The legislation itself would be simple and short. It would authorize the Director of Central Intelligence to establish a retirement system corresponding to that of the Foreign Service. I believe we can secure formal approval from the Bureau of the Budget within ten days to two weeks. However, I would like to know if there is any possibility in your view that this type of legislation could receive favorable action in the time remaining in this session. We would, of course, be prepared at any time to furnish detailed information concerning this legislation and the reasons we believe it is essential.